OFFICIAL

Policy Projects Reform

# Part 15—Finalising processes

**Items 223 and 224—Finalisation letter and compliance outcome letter**

The Office of the Registrar of Indigenous Corporations (ORIC) conducts an annual schedule of examinations of CATSI corporations to assess their corporate governance and financial health. Corporations are notified of the examination by a letter from the Registrar of Aboriginal and Torres Strait Islander Corporations (the Registrar) which is also recorded on the Register of Aboriginal and Torres Strait Islander Corporations and is a public document.

At the finalisation of an examination, ORIC may send the corporation a compliance letter (where there is a compliance matter to be rectified); a show cause notice where there is a serious governance or compliance issue and the Registrar is considering appointing a special administrator; or a management letter advising the corporation of the end of the examination. There is no legal requirement for the Registrar to send a management letter, which in the absence of a compliance letter or show cause notice, signals the conclusion of an examination.

It is important for corporations to be able to demonstrate that an examination has found no, or only minor, issues with governance and financial health, particularly as funding bodies will be looking closely at this. In a similar way, when corporations have addressed and rectified all of the issues raised in a compliance notice, there is currently no requirement for ORIC to acknowledge this.

Recommendation 50 in the CATSI Act Review final report stated:

*It is recommended the CATSI Act be amended to require ORIC to issue a:*

* *finalisation letter at the conclusion of an examination in the absence of issuing a compliance notice or ‘show*

*cause’ notice; and*

* *compliance outcome letter confirming that issues raised in a compliance notice have been addressed by the relevant corporation.*

Items 223 and 224 implement this recommendation as it was proposed. Item 223 requires the Registrar to provide notice to a corporation if he or she is satisfied that the action specified in a compliance notice have been taken by that corporation. Item 224 provides for the Registrar to notify a corporation at the conclusion of an examination, that he or she has concluded that they will take no further action.